



NALEDI LOCAL MUNICIPALITY

INDIGENT POLICY

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Created:	May 2012
Effective Date:	May 2012
Revision Date:	May 2015
Approved By:	141/2012

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1. INTRODUCTION

The provision of free basic services by local government is part of the broader social agenda and anti-poverty strategy of government. Naledi Local Municipality is therefore committed in supporting measures that assist and empower its community.

The government at all levels has a constitutional obligation to take measures towards the realization of the social and economic rights of all people as contained in the Bill of rights. These rights include, inter alia, health care, water, education, housing, food, social security and the environment.

In terms of section 27 of the South Africa Constitution Act, 1996 (Act 108 of 1996):

“(1) everyone has the right to have access to -

(a) Health care services, including reproductive health care

(b) Sufficient food and water; and

(c) Social security, including, if they are unable to support themselves and their dependants, appreciate social assistance.

(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of these rights.”

The integration of the indigent policy with the basic social package is part of the reasonable measures, within available resources, taken by the municipality in pursuance of the said constitutional obligations.

The municipality must therefore at all times strive to fulfill the constitutional objectives as contemplated in Section 152 of the Constitution and to meet the criteria for a credible indigent policy as laid down in the Credible Indigent Policy Assessment Framework, 2008, provided by the Department of Local Government.

The successful implementation of this policy depends totally on affordability and the social analysis of the area as should be included in the municipality's Integrated Development Planning, with regard to affordability the foundation is laid in section 74 of the Municipal Systems Act, 2000, which stipulates that poor households must have access to basic service through tariffs that cover only the operating and maintenance costs.

The aforementioned should therefore not be viewed in isolation of measures, such as social grants, free primary health care, housing, promotion of small, micro and medium enterprises, etc. taken by other spheres of government as part of an integrated national poverty alleviation strategy.



2. OBJECTIVE

The objective of this policy will be to ensure the following:

- i. The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council;
- ii. The financial sustainability of free basic services through the determination of appropriate tariffs that contribute to such sustainability through cross subsidisation;
- iii. Establishment of a framework for the identification and management of indigent households including a socio-economic analysis and the indigent exit strategy;
- iv. The provision of procedures and guidelines for the subsidisation of basic charges and the provision of free basic energy to indigent households;
- v. To ensure co-operative governance with other spheres of government; and
- vi. To enhance the institutional and financial capacity of the municipality to implement the policy.
- vii. To ensure that the Equitable Share received annually will be utilised for the benefit of the poor only and not to subsidise rates and services charges of those who can afford to pay;
- viii. To link this policy with the municipal Integrated Development Planning, Local Economic Development initiatives and poverty alleviation programmes;
- ix. To promote an integrated approach to free basic service delivery; and
- x. To engage the community in the development and implementation of this policy;

Section 97(1)(c) of the Municipal Systems Act, 2000 (Act no. 32 of 2000) states that a municipality must provide in its policy for indigent debtors that consistent with its rates and tariff policies and any national policy on indigents.

Indigent debtors to the poorest of the poor should have access to basic services in terms of the South African Constitution. Indigent debtors are not able to fully meet their obligations for services consumed and property taxes on their monthly accounts.

The consumption of metered services by the indigent debtors must be maintained at manageable levels to increase affordability of service charges for them.

Tariffs for Property Tax and services must be made more affordable for the poor.

The poor are included in the household category of consumers, which category is responsible for the highest monthly escalation of arrear debt. Applications do not on all cases make full disclosures when application forms for indigent registration are completed and this information virtually impossible to verify.

Criteria for the identification of poor households must be clear and transparent.



3. PURPOSE

The purpose of the indigent policy is to:

- a) Provide basic services to the community in a sustainable manner, within the financial and administrative capacity of the municipality;
- b) Provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation, received from Central Government and other budgetary provisions; and
- c) Ensure affordability by subsidising tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in accordance with the municipality's service delivery plan.
- d) The Council also recognises that many residents can simply not afford the cost of full provision of services and for this reason the Council will endeavour to ensure affordability through:
 - i. Settings tariffs in terms of the Councils Tariff Policy, which will balance the economic viability of continued service delivery; and
 - ii. Determining appropriate service levels

4. DEFINITIONS

The purpose of this policy, the wording or any expression has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

"ACT" "The Local Government Act: Systems Act 2000(Act No 32 of 2000) as amended from time to time

"Indigent" means lacking the necessities of life. The following goods and services are considered as necessities for an individual to service: sufficient water, basis sanitation, refuse removal, environmental health, basic energy, health care, housing, food and clothing.

"indigent person" a person whose household income does not exceed the minimum household income as predetermined by council.

"Poverty" refer to the absence of capital such as land, access to natural resources, or to the importance of social and intellectual capital and even the climate of democracy and security necessary to enhance the capabilities of the poor and excluded;

"Basic Refuse removal service" "the removal of refuse from each property located within a municipality and disposal of this waste in an adequate landfill site;

"Household" any person who occupies any property or part thereof;

"Household income" the income accruing to all members of the household permanently residing at that address, including income of spouses.

"Municipality" the institution that is responsible for the collection of funds and the provision of services to the customer of Naledi Local Municipality;



“Municipal services “those services provided by the municipality, such as ‘inter alia the supply of water and electricity, refuse removal, sewerage treatment, and for which services charges are levied;

“Municipal Manager “the person appointed as the Municipal Manager in terms of this section 82 of the Local Government Structures Act, 1998, Act 117 of 1998 and includes any person acting in that position or to whom authority was delegated.

“Council” the municipal council of the Naledi Local Municipality

“Cycle” a period of 5 financial years

“Defaulter “a person who owes money to the municipality after due date has expired;

“Interest “a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time on arrears monies;

“Subsidy” subsidised services may include sewerage, refuse removal and assessment rates and consumption service charge;

“Child headed household” means a household where both parents are deceased and where all occupants of property are children of the deceased and under the legal age to contract for services;

“Indigent Management System” an electronic management system applied by other municipalities for the smooth and efficient management of the register of indigent households;

“Programme officer” an official duly authorised by the municipality, or an employee of a services provider appointed by the municipality, who is responsible for the following;

- i. To ensure that applications for indigent support are received and assessed;
- ii. To ensure that applications are captured on the Indigent Management System.
- iii. To ensure that information on applications are verified and that regular audits are executed; and
- iv. To authorise expenditure with regard to indigent support.

“Occupier” means the person who controls and resides on or control and otherwise uses immovable property provided that;

- i. The spouse of the owner of immovable property, which is used by such spouse or owner as a dwelling at any time, shall be deemed to be the occupier thereof;
- ii. Where both spouses reside on immovable property and one of them is an occupier thereof, the other shall also be deemed an occupier;

“Indigent register” means the municipal list of indigent customers as per the municipal policy, which has to be updated on a monthly basis, designed to contain all the data contained within completed indigent application forms which contains the following

“Owner” in relation to immovable property means:



- i. The person in whom is vested the legal title thereto provided that –
 - a. The lease of immovable property which is leased for a period of not less than fifty years, whether lease is registered or not, shall be deemed to be owner thereof, and
 - b. The occupier of immovable property occupied in terms of a service or right analogous thereto shall be deemed the owner thereof;
- ii. If the owner is deceased, insolvent, has assigned his or her estate for the benefit of his or her creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, then the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be;
- iii. If the owner is absent from the Republic or if his or her address is unknown to the municipality, then any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property; or
- iv. If the municipality is unable to determine who such person is, then the person who is entitled to the beneficial use of such property;

“Premises” includes any piece of land, the external surface boundaries of which are delineated on.

- i. A general plan or diagram registered in terms of the Land Survey Act, 1997 (Act No. 8 of 1997) or 5 in terms of the Deeds Registries Act, 1937 (Act No. 47 of 1937);
- ii. A general plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), and situated within the jurisdiction of the municipality;

“Rates” means any tax, duty or levy imposed on property by the Council;

5. LEGISLATIVE FRAMEWORK

- This policy is designed and implemented within the framework of the following legislation:
- The Constitution of the Republic of South Africa, 1996;
- The Municipal Systems Act, 2000 (Act 32 of 2000);
- The Municipal Finance Management Act, 2003 (Act 56 of 2003);
- The Promotion of Administrative Justice Act, 2000 (Act 3 of 2000);
- The Promotion of Access to Information Act, 2000 (Act 2 of 2000);
- The Property Rates Act, 2004 (Act 6 of 2004).

6. SOURCES OF FUNDING

- 6.1 The council will have to provide funds annually on the budget for the subsidization of indigent households for rates, refuse removal, electricity and alternative energy.
- 6.2 The indigent subsidies will have to be financed from the equitable share contribution to the municipality obtained from National Treasury.
- 6.3 Existing indigent arrears on rates, tariffs and services charges will be written off against the provision for bad debts.



- 6.4 Indigent households may be required to convert to prepayment electricity meters, the cost of which can be met by the equitable share fund.

7. COMMUNICATION PROCEDURES AND FREE BASIC SERVICES IMPLEMENTATION STRATEGY

- 7.1 The municipality has developed the draft free basic services communication and implementation strategy in terms of which communities will be informed and educated in order to have a clear understanding of this policy and implementation thereof.
- 7.2 Regular information dissemination and awareness campaigns will be undertaken and eliminate unrealistic expectations both in terms of qualifying for the free basic services subsidy as well as the services that will be rendered and the qualifying for subsidy as well as service delivery in general and methods of communication that will be used, but not be limited to;
- 7.2.1 Ward committees;
 - 7.2.2 Traditional leaders, where applicable;
 - 7.2.3 Community based organisations;
 - 7.2.4 Local radio stations and newspapers;
 - 7.2.5 Municipal accounts;
 - 7.2.6 Izimbizo's and road shows; and
 - 7.2.7 Jamborees where government and municipal officials are made available to assist residents with the following certified copies that must be attached;
 - a) Identity document
 - b) Pension grant receipt
 - c) Affidavit
 - d) Lease agreement form, etc.
- 7.3 That CDW's, ward committees and councilors be seen as assisting in spearheading the programs embarked on by the free basic services unit.

8. INDIGENT SUPPORT POLICY PRINCIPLES

The following should be the guiding principles in implementing the Indigent Support Policy:

- 8.1 The Indigent Policy is in accordance with Local Government Municipal Systems Act, 2000, Local Authorities Ordinance No. 25 of 1974 and all other amending or related legislation.
- 8.2 Relief will be provided by Council to registered residential owners and/or consumers of services.



- 8.3 The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households. There should be no differentiation whatsoever of any residential consumers. It should only differentiate in the level of service rendered.
- 8.4 The subsidy for minimum service level should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement.
- 8.5 Differentiation must be made between those households who cannot afford to pay for basic services and those who simply do not want to pay for these services.
- 8.6 The payment for services should be affordable to all consumers.
- 8.7 It should be for a cycle, and reviewed annually.
- 8.8 Council may review and amend the qualification for indigent support and social rebates, annually during the budget cycle.
- 8.9 The collective or joint gross income of each household will be taken into account. The household income must be correctly reflected on the application form requesting indigent support, which may be withdrawn if the income is found to have been incorrectly submitted.
- 8.10 The residents must formally apply on the prescribed application forms for the relief and will qualify for the indigent according to these prescribed criteria/principles laid down by Council. After the application form has been completed, an effective and efficient evaluation system will be used in order to obtain the outcome within a reasonable time determined by Council.
- 8.11 If a person/household is found to be indigent, he/she will be registered on a database linked to the debtors system and to Council's Local Economic Development system.
- 8.12 The onus is on the recipient to inform the Council of any change in his/her status or personal household circumstances.
- 8.13 Disciplinary measures will be imposed on persons who misuse the system and provide incorrect information. These measures are:
- i. A person will forfeit his or her status as a registered indigent and will thereafter be treated as an ordinary residential property owner or account holder for the financial year concerned.
 - ii. Relief may be withdrawn if a registered indigent fails to keep to the terms of the policy or any tampering with the installations of the municipality is detected.
 - iii. A person shall be liable to repay the municipality with immediate effect all indigent relief received from the date of such fraudulent registration.



9. REGISTRATION OF INDIGENTS

Criteria for Qualification:

In order to qualify for indigent support the following criteria must be complied with :

- 9.1.1 The applicant must be the full-time occupant on the premises within the Naledi Local Municipality area and may not own any other property within SA.
- 9.1.2 Subsidies apply to households and not individuals.
- 9.1.3 The verified gross monthly income of all household occupants over 18 years of age may not exceed the amount approved by Council from time to time during the budget process.
- 9.1.4 All households that are child headed, even if they are below eighteen (18) years of age apply for the indigent support.
- 9.1.5 All households applying for Free Basic Electricity must have electricity connected to the household.
- 9.1.6 Consumption may not exceed a three month average of 18 kilolitres of water and 450 units of electricity, inclusive of the free basic service grants.
- 9.1.7 Where more than one household resides on the property, the following criteria will apply:
 - a) When water and Electricity consumptions are metered separately – criteria 9.1.6 will apply.
 - b) When water and Electricity consumptions are metered through one meter, additional usage of 6kl water and 50kwh unit's electricity per additional household will be allowed.
- 9.1.8 Where an owner of a property has passed away, the person who has inherited the property be allowed to apply for indigence assistance for the period in which the property is being transferred to his/her name on the following conditions:
 - i. A new consumers account is opened in the name of the applicant, and
 - ii. The following documents are submitted by the applicant:
 - iii. Copy of death certificate.



- iv. Copy of the identity document.
- v. Copy of the Deed of Grant.
- vi. Proof that the property was inherited by the applicant.
- vii. Certificate of appointment from the magistrate.

9.1.9 The applicant referred to in 9.1.7 also be entitled to indigent assistance with regard to the assessment rates on the property, and the amount granted is transferred to the assessment account of the deceased.

9.1.10 The onus for applying for indigent subsidy rest with the consumer who cannot afford to pay the full municipal tariff for services received.

9.1.11 Council reserves the right to send officials to premises/households receiving relief for the purpose of conducting an on-site audit of the details supplied.

9.2 Once the above criteria has been met:

- a) The account holder or property owner must complete the official application form and the following supporting documents must be submitted as proof to the Finance department of the Naledi Local municipality:
 - 1) Documentary proof of income (e.g. letter from the employer, salary advice, pension card, declaration of profit, lease agreement etc.) must be presented in order to qualify for a subsidy.
 - 2) Identification documents
 - 3) A sworn affidavit to the effect that all the information supplied is true and correct and that all income from formal and/or informal sources has been declared.
 - 4) NB If a person supplies false information he/she will be disqualified from the subsidy scheme, and she/he will be held liable to repay the Council all the subsidies received. The Council serves the right to recover the lost monies through the court intervention.
- b) The application for subsidy will be considered upon receipt of the required documentation mentioned in 9.2 (a) above.
- c) The application forms will be processed and information provided will be assessed and screened by the Financial Service Directorate within the council.
- d) Council reserves the right to send officials to premises/households receiving relief for the purpose of conducting an on-site audit of the details supplied.



- e) The indigent officer on recommendations by the Chief Financial Officer will approve or disapprove the submitted application form and also as per the indigent policy determine subsidy amount granted.
- f) The account holder must reapply for the subsidy each cycle. The council reserves the right to visit the premises through the appointed ward committee members, amongst others, to assist to verify the correctness of the information supplied in the application. The onus is on account holder to re-apply for relief each cycle, failing which the assistance will cease automatically.
- g) The indigent register will be updated annually and on a day to day basis as applications are processed and the verification process is undertaken through the year for any change of circumstances.
- h) The Indigent register after approval will be distributed to all the Municipal pay-points for public perusal.
- i) The re-application for indigent support will not be approved if the consumers account for water and electricity exceeded the free basic services approved by the council is not paid up to date, according to the Credit Control and Debt Collection by-laws.
- j) An indigent customer must immediately request de-registration if his/her circumstances have changed to the extent that he or she no longer complies with the requirements set out in the definition.
- k) All applicants will be informed about the outcome of their applications, and the validity of the assistance which also included the date of commencement and termination of the assistance.
- l) All approved beneficiaries for the indigent support automatically qualify for Free Basic Electricity whether on 20Amps or 60Amps supply.
- m) Alternative water supply (water tanks) will be provided to areas where there is no infrastructure within the Municipal jurisdiction.
- n) Funds are already allocated to the municipality to fund the implementation of free basic services and for the free basic alternative energy program through the equitable share grant disbursed by the National Treasury to municipalities.
- o) These funds are classified as free Basic Electricity/ Alternative Energy, where no electricity infrastructure exist, these funds must be channelled to fund free



basic alternative energy, the municipality will supplement the free basic electricity grant from its own income in ensuring that indigent households receive the free basic alternative energy.

- p) The municipality will make provisioning for alternative energy for cooking and lighting, to all the identified households where there are no immediate plans to electrify, including areas where energy poverty is prevalent.
- q) The application is approved, the assistance will be valid until the end of the cycle or a shorter period as prescribed by the Council, or if the consumer does not qualify as indigent any longer.

10. EXTENT OF INDIGENT SUPPORT

- 10.1 Subsidies will be limited to rates, water-, refuse removal-, electricity-, sewerage disposal- and alternative energy services.
- 10.2 Subsidies will be determined during the compilation of the annual budget.
- 10.3 The source of funding of the indigence subsidy is that portion of the equitable share contribution received from National Treasury and any additional provisions made by council and provided for in the annual operating budget.
- 10.4 The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget has been exhausted.
- 10.5 **In respect of property rates, approved indigent households are fully subsidised for property rates** as provided for in the municipal annual budget and subjected to the provisions of the Municipal Property Rates Act 2006. Approved indigent households accounts will have the interest indicators flagged.
- 10.6 **In respect of water, a 100% subsidy up to 6kl per household per month will apply.**
- 10.7 **In respect of electricity, a 100% subsidy up to 50kWh per month will apply.**
- 10.8 **In respect of refuse removal services a 100% subsidy will apply.**
- 10.9 **In respect of sewerage disposal services a 100% subsidy will apply.**
- 10.10 In respect of alternative electricity, where the municipality cannot connect electricity to grid or it's too expensive for the municipality to connect to the grid, the municipality will make provision for alternative energy source. When the area is identified for alternative energy, an investigation will be done to determine the best possible energy source to be used for the area.
- 10.11 If consumption per metering period (month) exceeds any of the norms stated in 9.6 above and 8.1.6 usage will be restricted.
- 10.12 If a customer's consumption or use of municipal service is less than the subsidised service, the unused portion may not be accrued and the customer will not be entitled to a cash rebate in respect of the unused portion.



- 10.13 Annual service charges on the indigent's account will automatically be converted to monthly instalments.
- 10.14 The accounts of indigent households will be exempted from interest.
- 10.15 Where it occurs that consumers are minors due to circumstances, the support will be determined as per Council decision from time to time.
- 10.16 Where water leakages occur at indigent households, such leakages can be repaired at Council's expense and the cost thereof recovered from the equitable share grant. The above recovery can only take place while sufficient equitable share fund are available.
- 10.17 Where electricity meter problems occur at indigent households, such problems can be repaired at Council's expense and the cost thereof recovered from the equitable share grant. The above recovery can only take place while sufficient equitable share fund are available.

11. INDIGENT HOUSEHOLDS RETIREMENT CENTRES AND OLD AGE HOMES

- 11.1 The onus will be on the Board of Trustees/Managing Agent (hereinafter referred to as the representative) to apply to the municipality, for indigent status to be granted in respect of water Consumption on behalf of the owners of those units, who meet the criteria and conditions for qualification. Indigent consumers living in retirement centres or old age homes are eligible to qualify for assistance and support in terms of this policy, subjected to the following rules and procedures.
- 11.2 The onus will be on the unit owner to apply to the municipality for indigent status to be granted in respect of property rates related charges.
- 11.3 The representative will submit applications to the Chief Financial Officer.
- 11.4 The free basic services sub-directorate will verify all applications and he or she must notify:
 - a) The representative, whether an application was successful or not, with regard to the water consumption and electricity; and,
 - b) The unit owner whether an application was successful or not, with regard to the property rates and other related charges;
 - c) The Chief Financial Officer will credit the monthly municipal charges as;
 - i) Water account of the Retirement Centre or Old Age Home with water, electricity where the municipality serves as an electricity provider and sewerage charges, the amount of which will be calculated by dividing the total number of kilolitres of water consumed by the number of units in the complex, but up to a maximum of 200 litres of water per day for each unit that qualifies for assistance.



- ii) Rates and refuse charges account of the unit owner with the amount determined by the municipality.

11.5 The representative must, in respect of monthly water credits allowed under indigent support, ensure that such credits are off-set against the monthly levies of the relevant individual units; such representative also being required, once every six months, or at such intervals as may be determined by the municipality, to provide proof to the Chief Financial Officer that the monthly levies of poor households which qualify for assistance, have been adjusted by the amounts credited to the account of the Retirement Centre or Old age Home.

12. ARREARS ON INDIGENT ACCOUNTS

- 12.1 Upon registration as an indigent household, the arrears on the account of the applicant will be kept pending for a period of at least 1 month after which it may be written off, Interest may be calculated on the arrears as contemplated;
- 12.2 If the applicant exits from the indigent support programme within the six (6) months period the arrears will be re-introduced in the account and will be subject to the credit control and debt collection policy of the municipality;
- 12.3 Arrears related to housing instalments or rent will be recovered through the electricity prepayment meter;
- 12.4 Customers who qualify for an equitable share subsidy will be placed on restricted service levels in order to limit further escalation of debt;
- 12.5 Where a qualifying customer's account is paid in full at the date of application, or regularly maintains a paid up monthly account including any arrangement for arrear debt, after receiving the subsidy, the restriction on service levels will be waived up to the maximum levels specified .
- 12.6 Customers who qualify for equitable share subsidy and are still in arrears, will be placed on the pre-paid services system whereby 40% of electricity purchases be allocated to the arrear debt. Where a qualifying customer's account is paid in full or regularly maintains a paid up monthly account, after receiving the subsidy, the levy on the pre-paid services will be removed.

13. THE NON-COMPLIANCE OF A HOUSEHOLD REGISTERED AS AN INDIGENT HOUSEHOLD

13.1 Failure to comply

When an indigent consumer fails to comply with the arrangements made to receive subsidy, they will be dealt with in terms of the Council's uniform credit control procedures.



It may happen that even the introduction of the indigent policy, certain households may be in arrears on the amount due by them. These consumers will have to make arrangements with the Municipal Manager to pay off owing in reasonable time, and also at the time of claiming the monthly subsidy.

13.2 Withdrawal and non-qualification of Indigent subsidy:

The subsidy will be withdrawn at the discretion of the council if:

- a) The customer who qualified for the subsidy fails to keep to terms of the policy agreement or
- b) If it is found the information provided is incorrect and fraudulent
- c) Any tampering with installations of the Council is detected
- d) Arrangements for repayment of arrear accounts have not been made.
- e) Any tampering with the installation of the council and Eskom is detected and that the customer will be liable for the payment of such tampering.

13 TERMINATION OF INDIGENT SUPPORT

Indigent Support will be terminated under the following circumstances:

- 13.1 Upon death of the account-holder or the head of the household where no accounts are rendered;
- 13.2 At the end of the indigent cycle, except in the case of pensioners and disabled;
- 13.3 Upon sale of the property in respect of which support is granted;
- 13.4 When circumstances in the indigent household have improved to the extent where the income threshold as determined is exceeded;
- 13.5 If the applicant is found to have lied about his/her personal circumstances or has furnished false information regarding indigent status, in which case the following will apply;
 - i. All arrears will become payable immediately;
 - ii. Stringent credit control measures will apply; and
 - iii. The applicant will not be eligible to apply for indigent support for a period of 2 years;
- 13.6 Upon death of the indigent, If the indigent had dependents the dependents will need to re-apply for the support as subsidies are not transferable;
- 13.7 When the indigent disposes his /her property;
- 13.8 When the indigent's circumstances change or the indigent criteria for approval changes to the extent that approval no longer applies;
- 13.9 If the indigent fails to pay the account of his/her consumption or use of a municipal service in excess of the subsidized service or fails to honour any arrangements made by him/her for payment for outstanding accounts.



14 EXIT PROGRAMME

The proposed exit of indigent's beneficiaries from the approved indigent register would be;

- 14.1 The continuous verification of the register.
- 14.2 The involvement of all stakeholders namely, Councillors, Community Development Workers and Ward Committee members.
- 14.3 Members of households registered as indigent will be prepared to participate in exit programmes co-ordinated by the municipality in collaboration with other government departments, stakeholders involved, sector departments and the private sector.
- 14.4 As part of its broader poverty reduction programme the municipality undertakes to provide for the participation and accommodation of indigent persons in its Local Economic Development initiatives and in the implementation of integrated development programmes where possible.
- 14.5 Naledi Local Municipality will promote exit from indigence by ;
 - a. Identifying indigents for inclusion in public works projects;
 - b. Initiating local job creation projects such as cleansing operations, small infrastructure projects etc.;
 - c. Facilitation of opportunities to enter the informal trade market
 - d. Facilitation of food security projects
 - e. Liaison with National and Provincial departments to include indigent customers in their public works programme.

15 REPORTING REQUIREMENTS

- 15.1 The municipal manager shall report on a monthly basis to the mayor for the month concerned and by municipal ward:
 - 1. The number of households registered as indigents and a brief explanation of any movements in such numbers;
 - 2. The monetary value of the actual subsidies and rebates granted;
 - 3. The budgeted value of the subsidies and rebates concerned; and
 - 4. The above information cumulatively for the financial year to date.



- 15.2 The mayor shall submit the above reports on a quarterly basis to the council and to the municipality's ward committees, or monthly frequently to any ward committees, when applicable.
- 15.3 Performance against targets set in respect of indigent support and poverty relief and in particular with regard to the following:
- a) Number of applications for indigent support dealt with;
 - b) Time taken to process and finalise applications;
 - c) Site visits undertaken;
 - d) Awareness initiatives; and
 - e) Exit initiatives.
 - f) Changes in the registered status of indigents.

16 CAPACITY BUILDING

The municipality will ensure that all officials and councillors are appropriately capacitated in Free Basic Services in terms of the following key areas:

- 1. Database management
- 2. Demand and revenue management
- 3. Policy and by-law implementation

17 AUDIT AND REVIEW

- i. The municipality will conduct regular audits of the indigent register with regard to the information furnished by applicants, possible changes in status, the usage of allocations and debt collection measures applied and where necessary review the status of the applicant.
- ii. The frequency of such audits will depend on the institutional capacity of the municipality to do so; it is proposed that at least monthly targeted audits and reviews are undertaken, with a completed review scheduled for at least every five (5) years cycle.

18 DELEGATION OF POWERS AND AUTHORITY

- a) Delegation



This policy should be applied with due observance of the municipality's policy with regard to delegated powers. Such delegations refer to delegations between the Council and Municipal Manager as well as between the Municipal Manager and other responsible officials. All delegations in terms of this policy document should be recorded in writing.

b) Authority

Any deviation from this policy for whatsoever reason must be authorized by the Municipal Manager and in the case of the municipal manager, the Mayor will authorize.

19 IMPLEMENTATION OF THIS POLICY

- a) This policy will be effective from the date the policy is approved per council resolution.
- b) The implementation of this policy cannot be backdated and all sections thereof will only be implemented from date of approval.

